



Fiscal Note

H.B. 443

2017 General Session
Changes to Tax
by Briscoe, J.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$273,466,000	\$(201,866,000)	\$71,600,000

State Government

UCA 36-12-13(2)(b)

Enactment of this legislation would increase the sales tax rate on food resulting in a General Fund increase of approximately \$86.3 million in FY 2018 and \$213.1 million in FY 2019. Most of the additional revenue will go to the General Fund (\$169 million) with some going to the Transportation Investment Fund through earmarks (\$44.1 million). The modifications to personal exemptions and the calculation of the taxpayer credit may result in an increase in revenues to the Education Fund by \$154 million beginning in FY 2019. Enactment of a state earned income tax credit may result in a decrease in revenues to the General Fund by \$49.5 million beginning in FY 2019.

Revenues	FY 2017	FY 2018	FY 2019
General Fund	\$0	\$119,466,000	\$119,466,000
Education Fund	\$0	\$154,000,000	\$154,000,000
Transportation Investment Fund of 2005	\$0	\$15,600,000	\$45,000,000
General Fund, One-Time	\$0	\$(47,866,000)	\$0
Education Fund, One-Time	\$0	\$(154,000,000)	\$0
Total Revenues	\$0	\$87,200,000	\$318,466,000

Enactment of this legislation likely will not materially impact state expenditures.

Expenditures	FY 2017	FY 2018	FY 2019
Total Expenditures	\$0	\$0	\$0

Net All Funds	\$0	\$87,200,000	\$318,466,000
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Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation freezes the minimum basic tax rate at .001675. This could generate \$19,864,000 in additional local education revenue in FY 2018. Assuming values continue to increase, this legislation would generate more revenue from the state basic rate. If values decrease, the revenue would be held harmless and no additional revenue would be generated.

Changes to the minimum basic tax rate will increase property taxes for taxpayers in years when the certified revenue levy falls below .001675. It is estimated that freezing this rate would cost primary residential homeowners with a home valued at \$250,000 an additional \$10.86 in property tax in 2017. A business owner with \$1,000,000 in property value would pay \$43.45 additional property tax due to this change in 2017. Actual impacts in future years will depend on growth in property values and what the minimum basic rate would have been absent this bill. Increasing the sales tax rate on grocery food will increase taxes for consumers. In total, consumers will pay an estimated \$213.1 million more in taxes annually. A family spending \$5,000 a year on grocery food would pay \$147.50 in additional sales tax per year with this rate change. Modifying the number of personal exemptions an individual may claim and amending the calculation of the taxpayer tax credit may result in an annual average tax increase of \$161 for 1,010,542 taxpayers. Enactment of a state earned income tax credit could result in an average tax savings of \$242 for 204,358 taxpayers.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.